

It is appropriate that residents of areas outside the top 10 MSAs contribute from the outset to number portability costs. Some of the near-term costs of number portability — the costs of regional SMS data bases, the individual carrier “downstream” data bases (SCPs), and changes to billing, operational support, and repair systems, for example — will be used to support number portability when introduced in areas outside the top 10 MSAs. Preliminary estimates are, at least for U S WEST’s incumbent LEC, that it will often be more expensive on a per line basis to deploy number portability in areas outside the most populous MSAs. Setting a uniform, averaged surcharge and collecting it from the entire group of customers for whom the system is designed, whether they currently take advantage of the system, is consistent with the Commission’s treatment of the closest analogue of this surcharge — the subscriber line charge.^{33/} Finally, number portability is only one part of the package of changes contained in the Telecommunications Act of 1996; whether or not individual customers outside the most populous MSAs take advantage of number portability at any given time, they will still receive substantial benefit from the package as a whole, such as from its provisions for universal service support and rate averaging.

E. Facilities-Based Carriers Other than Incumbent LECs Should Retain Their Current Flexibility in Deciding When and How To Recover Their Implementation Costs.

Unlike incumbent LECs, new facilities-based entrants are not rate-regulated and therefore have the flexibility to structure the recovery of their costs of implementing number portability as they see fit, including (at their option) by billing and collecting a distinct, flat

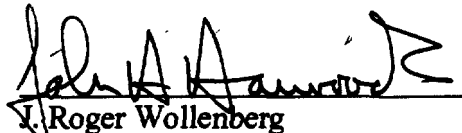
^{33/} See, e.g., MTS and WATS Market Structure, 93 F.C.C.2d at 278 (levying line charges on all cost-causative end users, regardless of whether they place interstate calls), 328 (adopting nationwide averaging).

surcharge in the manner proposed above. Therefore, no affirmative action by the Commission is needed to enable these entrants to recover their costs.

CONCLUSION

U S WEST fully supports the implementation of number portability and asks the Commission to ensure that incumbent LECs have the opportunity to recover the substantial costs they must bear to meet the federal mandate. Incumbent LECs should be able to recover those costs over the same time period that the investments are made. The creation of an explicit, distinct federal number portability surcharge will enable carriers to recover their costs in a competitively neutral fashion and will best support the goals of Congress and the Commission.

Respectfully submitted,



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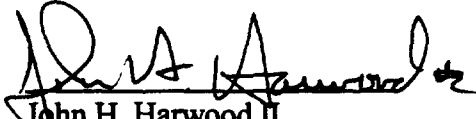
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August 16, 1996

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that on this 16th day of August, 1996, I caused a true copy of the foregoing Comments of U S WEST, Inc. to be served by hand delivery upon the persons listed on the attached service list marked with an asterisk, and by first-class mail upon all other persons listed.


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